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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/690,940	10/18/2000	Dean F. Boyer	OHB-0047	5015

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EXAMINER

HARBECK, TIMOTHY M

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 12/22/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b> 09/690,940	<b>Applicant(s)</b> BOYER ET AL.	
	<b>Examiner</b> Timothy M. Harbeck	<b>Art Unit</b> 3628	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☐ Responsive to communication(s) filed on 31 October 2005.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 24-47 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 24-47 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 10/18/2000 is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |   |   |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                        | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)    | Paper No(s)/Mail Date. _____  |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____   | 6) <input type="checkbox"/> Other: _____                                    |

## DETAILED ACTION

### *Claim Rejections - 35 USC § 103*

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 24-28, 30-32, 36-40 and 42-44 are rejected under 35 U.S.C. 103(a) as being unpatentable over Barber et al (hereinafter Barber US Pat No 4,858,121) in view of Little et al (hereinafter Little US Pat No 5,359,509).

**Re Claim 24:** Barber discloses a medical payment system comprising a point of service terminal (Column 1 line 63-65) which accepts a payment system access card for payment for a purchase of at least one of a service and product by a customer at a point of service provider, at least part of said purchase being reimbursable by a third party, and which creates a purchase transaction (Column 2 lines 10-20). Barber further discloses a payment system which debits the payment system access card for said covered portion that is to be paid by the third party and pays the point of service provider said covered portion (Column 2 lines 21-25). Barber does not explicitly disclose an adjudication engine which processes said purchase transaction substantially in real time so as to calculate a covered portion of said purchase that is to be paid by the third party. Little discloses a health care payment and adjudication and review system that teaches an adjudication apparatus for health care payments (Column 4, lines 22-43). It would have been obvious to someone skilled in the ordinary

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art at the time of invention to include the adjudication apparatus of Little to the payment system of Barber so as to expedite the funds transfer process and ensure accuracy.

The verification of coverage for a patient by an insurance company can be done faster which would help to avoid fraud, and the payment can be made to the service provider almost instantaneously, instead of after a few weeks.

**Re Claim 25:** Little does not explicitly disclose wherein the point of service terminal is located at a pharmacy. However, Little does disclose that the method and apparatus of his invention is intended for payment requests associated specifically with the health care industry (Column 4, lines 23-43). It was well known in the art at the time of invention that if a patient were to receive medication, he or she would need to visit a pharmacy to fill a prescription and would also be paying for this prescription at the pharmacy. It would be obvious then to place a point of service terminal at the pharmacy because this is the transaction is to take place and where the system and apparatus would be best utilized. It was also true that, at the time of invention, many physicians offices, specifically large HMO's have a pharmacy on the premises, so if the point of service terminal was located at the physicians office as disclosed by Barber (Column 1, lines, 63-65) it would also be located at the pharmacy.

**Re Claim 26:** Barber further discloses wherein the point of service terminal is located in a physician office (Column 1, lines 63-65).

**Re Claim 27:** Little further discloses wherein said purchase transaction includes at least one product identifier (Column 2, lines 7-10) which said adjudication engine

compares to payment parameters and conditions to determine the value of said covered portion of said purchase to be paid by the third party (Column 7, lines 10-26).

**Re Claim 28:** Little further discloses a system wherein said purchase transaction includes at least one service code which said adjudication engine compares to payment parameters and conditions from the third party to determine the value of said covered portion of said purchase to be paid by the third party (Column 9 line 66-Column 11 line 45). Little discloses the use of a Masterlist as a reference for the third party for adjudication of a payment request. The service code is defined by Little as current procedural terminology (CPT), and the procedure performed on the patient is compared to the CPT from the Masterlist to determine appropriate payment procedures.

**Re Claim 30:** Little further discloses wherein said adjudication engine is connected to a node on the Internet and said point of service terminal accesses said adjudication engine via an Internet connection to said node (Column 6, line 56). While Little does not explicitly disclose the Internet, it was well known in the art at the time of invention that the Internet was a network through which electronic data could be sent, as disclosed by Little.

**Re Claim 31:** Little further discloses a system wherein said adjudication engine includes a data driven rules engine which processes data from the customer, the point of service provider, the third party and the payment system to determine the covered portion of the payment to be paid by the third party (Column 6 line 44- Column 7 line 9).

**Re Claim 32:** Barber further discloses a system wherein said payment access card is one of a credit card, debit card, and purchase card said payment system

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includes a credit card network, and said adjudication settlement transaction is formatted as a credit card statement (Column 7, lines 19-22, 42-50). Barber specifically notes the use of a credit card, and it was well known in the art at the time of invention that a debit card or purchase card is a feasible and popular alternative for payment of a transaction.

**Re Claims 36-40 and 42-44:** Further method claims 36-40 and 42-44 would have been obvious from, respectively, rejected system claims 24-28 and 30-32 and are therefore rejected using the same art and rationale.

Claims 29, 33-35, 41 and 45-47 are rejected under 35 U.S.C. 103(a) as being unpatentable over Little in view of Barber as applied to claim 24 above, and further in view of Sackler et al (hereinafter Sackler, US Pat No 5,235,507).

**Re Claim 29:** Little in view of Barber discloses the claimed system supra except for the explicit disclosure wherein said purchase includes at least one co-payment amount. Sackler discloses a health insurance management system wherein a policy having a separate deductible amount for each treatment, and/or having different levels of co-payment, could be accommodated without altering the essential nature of the system (Column 3, lines 46-49). It would have been obvious to someone skilled in the ordinary art at the time of invention to include the co-payment portion of the claim taught by Sackler to the system of Little in view of Barber, because many health insurance plans have a co-payment amount that the patient is responsible for covering, and the system would encompass a greater number of people if this feature were available.

**Re Claim 33:** Little in view of Barber discloses the claimed system supra except for the explicit disclosure wherein said adjudication engine calculates a non-covered portion which is to be paid by the customer. Sackler discloses a health insurance management system wherein the system has means for calculating the amount to be paid to the health care provider, means for paying the provider, means for calculating the payment required by the claimant, which is the non covered portion (Column 1, lines 50-57). It would have been obvious to someone skilled in the ordinary art at the time of invention to include the calculation of the non-covered portion of the claim taught by Sackler to the system of Little in view of Barber, because many health care plans cover claims up to a certain point which may not cover the entire procedure. There must then be a way to calculate the remaining charges or else the service provider will not be paid the excess amount to which they are entitled.

**Re Claim 34:** Sackler further discloses a system wherein said payment system charges the payment system access card for said non-covered portion that is to be paid by the customer and pays the point of service provider said non-covered portion (Column 3, lines 20-32).

**Re Claim 35:** Sackler further discloses a system wherein said payment system charges a personal credit card of the customer for said non-covered portion that is to be paid by the customer and pays the point of service provider said non-covered portion (Column 3, lines 20-32).

**Re Claims 41 and 45-47:** Further method claims 41 and 45-47 and would have been obvious from, respectively, rejected system claims 29 and 33-35 and are therefore rejected using the same art and rationale.

### ***Response to Arguments***

Applicant's arguments filed 10/31/2005 have been fully considered but they are not persuasive. Applicant's first argument is with regards to the rejection of claims 24-28, 30-32, 36-40 and 42-44 on the prior art basis of Barber in view of Little. Applicant argues that neither reference, alone nor in combination explicitly disclose "an adjudication engine which processes said purchase transaction **substantially in real time** so as to calculate a covered portion of said purchase transaction." The emphasis added implies the contention surrounding the prior art and the claimed invention. As was explained in the office action, Little discloses a health care payment adjudication and review system that not only discloses the limitations not recited by the Barber reference (including the timing aspect), but also provides ample motivation for combining the two. Specifically noting applicant's contention that the Little reference does not disclose an adjudication engine that processes the purchase transaction **substantially in real time**, the Little reference notes that the payment processor receives the health care payment request from the health care provider in one of three forms, including as electronic data through a network, which as is notoriously well known in the art, is substantially in real time. Furthermore, throughout the Little disclosure, reference is made to the motivation of adjudicating payment requests quickly



and accurately (Column 3, lines 42-49) in an effort to increase medical analyst productivity (time at which payments are processed). These are in fact the problems with which the Little invention addresses, or in other words the motivation for the creation of the invention.

In addition, applicant points to a portion of the Little disclosure wherein the payment processor stores the payment request in the payment request database, apparently in an effort to point to a substantial delay in the processing. However, there is no mention that the “storing” of the payment request represents a delay in the processing. The “storing,” as is well known in the art is simply represents the saving of the request in a database, as a means of protection should the system falter. In this way, there is evidence that the request was entered, and data is not lost in the event of a system failure. Furthermore, it is well known in the art that the act of storing an entry can occur substantially in real time, and in fact can be done concurrently with other tasks. It does not automatically assume a time delay for later processing.

Applicant next takes issue with the rejection of claims 36-40 and 42-44 based on the previously rejected system claims 24-28 and 30-32. Applicant argues that this rejection relies on the disclosure of the rejected system claims, which is improper due to impermissible hindsight. This is incorrect. Claims 36-40 and 42-44 are not rejected based upon applicants own disclosure, but rather are rejected using the same art (Barber in view of Little) and the associated rationale (see the term “respectively”) as the previously rejected system claims, because it would be obvious, as stated in the Office Action, to anyone skilled in the ordinary art to perform the method for which the

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system was designed. In other words, it would be obvious for someone skilled in the art to take the system of Barber in view of Little and perform the method for which it was designed. The rejection does not rely on applicant's own disclosure as is suggested, but rather the prior art combined with ordinary skill.

Finally, with regards to claims 29, 33-35, 41 and 45-47, applicant has repeated his argument that the cited references do not give a result substantially in real time. Examiner has already shown that Little does in fact disclose this limitation, and can be applied in the same fashion to claims 29, 33-35, 41 and 45-47. Applicant has not argued anything else regarding the combination of Barber / Little / Sackler, and therefore the rejection is maintained.

### ***Conclusion***

**THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).


A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Timothy M. Harbeck whose telephone number is 571-272-8123. The examiner can normally be reached on M-F 8:30-5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 571-272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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